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FM AMCONSUL GUANGZHOU  
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SUBJECT: Guangdong Vice Governor Welcomes Further Direct Dialogue  
on Areas of U.S. Interest

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protect accordingly.

¶1. (SBU) SUMMARY: Guangdong Executive Vice Governor Tang Bing Quan welcomed dialogue on bilateral issues ranging from IPR to the U.S.-China trade balance in his first meeting with the Consul General on October 23. Tang said that given the high quality of Guangdong's infrastructure and hi-tech manufacturing capabilities, he was not concerned about losing investment to neighboring provinces despite their cheaper labor costs; he also said that the province's highest priorities remain in solving energy, environment and land use problems. END SUMMARY.

¶2. (SBU) Tang told the Consul General on October 23 that while he had initially worried that the availability of cheaper labor in neighboring provinces (such as Guangxi) might hurt Guangdong's economic development, he was now confident that "high-level, higher value-added" investment would remain in the province. Tang described Shenzhen's booming hi-tech manufacturing sector, the Pearl River Delta's improving water, power, and transportation infrastructure, and Guangdong's export experience and industrial prowess as keys to the province's economic sustainability.

¶3. (SBU) Reiterating his own personal steadfast commitment to protecting IPR in Guangdong, Tang described the efforts of the Chinese government to deal with IPR violators. He invited the Consul General to contact him with any specific IP concerns, and took note of his good relationship with the American Chamber of Commerce in South China as evidence of his good will towards U.S. interests. Tang offered a caveat, however, saying that for a province of Guangdong's size, IPR protection and the development of domestic IP interests would have to be a long-term process: "A big tree will always have rotten leaves."

¶4. (SBU) The Consul General thanked Tang for his support in facilitating OBO work on the new Consulate compound, took note of the assurances on IPR cooperation and expressed continuing interest in engaging on issues of bilateral interest. He also said that he hoped high level U.S. visitors would travel to Guangzhou in the coming months and that senior level Guangdong leaders would be willing to meet with them.

¶5. (SBU) BIOGRAPHICAL NOTES: Tang is a native of Guangdong, having

risen through the ranks of his local Zhongshan city CPC apparatus before becoming Vice Governor of Guangdong in 1996. As Executive Vice Governor, Tang's portfolios include foreign trade, foreign affairs, ports of entry and anti-smuggling efforts, tourism, overseas Chinese affairs, and Taiwan affairs. Tang, who speaks Mandarin Chinese with a heavy Cantonese accent, is a personable and able interlocutor who is prepared to respond directly to questions as they are raised rather than engage in lengthy discourse of economic minutiae during meetings.

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